

INITIAL STATEMENT OF REASONS

DIVISION OF RECYCLING INTEGRATED INFORMATION SYSTEM PROCESSOR AND RECYCLER PERMANENT REGULATIONS

TITLE 14. NATURAL RESOURCES DIVISION 2. DEPARTMENT OF CONSERVATION CHAPTER 5. DIVISION OF RECYCLING

The Department of Conservation (Department) proposes to amend sections 2090, 2425, 2525, and 2530 of Title 14 of the California Code of Regulations (CCR). The Division of Recycling (Division) began the Division of Recycling Integrated Information System (DORIIS) project in June 2007. DORIIS is a free internet-based tool for the recycling community. DORIIS will improve business processes, eliminate duplicative data entry, and provide program participants with timely and accurate information and improved data analysis and reporting. Proposed permanent amendments to the CCR are necessary to facilitate the recordkeeping and reporting for recycling centers and processors. The Division is proposing to increase the allowable frequency of submissions for submitting processor claims. Changes are also proposed dealing with the daily purchase information currently required to be captured by all recycling centers on a daily basis but not currently required to be reported in the same format on the shipping report. DORIIS will allow, but not require, participants to report electronically and receive or make payments electronically. The Division will continue to allow program participants to submit paper copies of all required documents indefinitely.

SUBCHAPTER 2. GENERAL REQUIREMENTS

Article 4. General Accounting Requirements

§ 2090. REPORTS, NOTICES AND CLAIMS SUBMITTED TO THE DIVISION

Subsection 2090 (f): This subsection has been deleted. The deletion of this subsection will eliminate the consolidated shipping report. The purpose of this report is to eliminate the number of shipping reports that must be completed by certified recycling centers and processors, thus reducing the amount of hard copy documents prepared. However, with electronic reporting, the system will be able to accommodate entering data and submitting shipping reports much more quickly than the current amount of time required to complete a consolidated shipping report. Based on the Division's visits to recycling centers that are using consolidated shipping reports, it appears that most of these recycling centers will be using the Division of Recycling Integrated Information System (DORIIS) to report electronically, instead of submitting hardcopy consolidated shipping reports. The recycling centers that do not want to use DORIIS to report electronically will still be able to use the paper shipping reports but will need to

create individual shipping reports instead of submitting a consolidated shipping report.

Figure 8: This figure has been deleted. The consolidated shipping report form is no longer needed because we have eliminated the consolidated shipping report from the regulations. Please see the explanation in subsection (f) above.

SUBCHAPTER 5. PROCESSORS

Article 3. Accounting and Reporting Requirements

§ 2425. Reporting

Subsection 2425 (a): This subsection has been amended to allow processors to submit processor invoice reports either electronically or by hardcopy. Processors will be allowed to submit up to thirty reports per calendar month, instead of up to eight reports per calendar month. Allowing for processor invoices to be submitted up to thirty times per month will significantly reduce the current cycle time for submission of processor claims and reimbursement by the state.

Subsection 2425 (a) (1): This subsection has been amended to allow the processor 30 days after the last day of the reporting period to submit reports instead of no later than the 10th day.

Subsection 2425 (a) (3): This subsection has been amended to allow multiple amended processor invoices instead of no more than two amended processor invoices. The amended processor invoices are required to be submitted no later than 30 days after the due date of the processor invoice being submitted, instead of 90 days after the due date of the processor invoice being submitted because it is anticipated that the need to amend processor invoices will be significantly reduced because the auto-calculation and summation functionality of DORIIS will significantly reduce, if not eliminate, the types of errors that typically result in the need to amend original processor invoices.

Subsection 2425 (a) (4): This subsection has been amended to delete the phrase “which will result in money being owed to the State of California”. This phrase has been deleted because the Division will accept amended processor invoices whether or not money is owed to the State of California.

Subsections 2425 (c) (3) and (4): These subsections have been deleted because the processor invoice requires the processing payment and the administrative fee to be reported in Subsection 2425 (c) (2). There is no need in DORIIS for this information to be repeated. Processors not using DORIIS will not be affected by this change.

Subsection 2425 (c) (3): This subsection has been renumbered from subsection 2425 (c) (5) due to the deletion of subsections 2425 (c) (3) and (4). The word “paid” has been added to this section after “refund value” and “administrative fees” and “processing payments” to clarify that refund value, administrative fees and processing payments being requested from the Division have been paid by the processor. The word “and” has been removed because there is no subsection following.

Subsection 2425 (c) (6): This subsection has been deleted because these “for recycling” and “not for recycling” fields are seldom, if ever, used and these amounts would be negligible and serve no purpose.

Subsection 2425 (e) (1): The name and telephone number of a contact person have been deleted, as well as the address of the company shipping the material to the processor. The contact person submitting the report and company addresses are populated by DORIIS based upon the master data associated with the certification number that is entered. The contact name and phone number was required to provide the Division’s payment and report processing contractor and/or for a Division reference to contact, if necessary. This information was not provided for the benefit of the processors.

Subsection 2425 (e) (5): The word “redemption” has been removed and the word “total” added and the phrase “of empty beverage containers purchased by basis for the refund value payment (e.g. segregated and weighed; commingled and weighed, segregated and counted)” was also added; because this section applies to recyclers and not processors, and indicates the required information on the shipping report received by the processor from the recyclers. It allows recyclers to enter their purchases by basis which is how most recyclers keep their daily records and the redemption weight and refund value is automatically calculated for them. Recyclers will still be allowed to complete and submit paper copies of shipping reports, if they choose not to use DORIIS.

Subsection 2425 (e) (9): The word “printed” and the word “title” have been removed from this section. The word “printed” and the word “title” are not necessary for the processor to complete this report.

Subsection 2425 (e) (10): The phrase “and weight ticket number” has been added to this section to require the processor to list the weight ticket number on the shipping report prepared by the processor. This requirement will enable the processor to match the weight ticket date to the weight ticket number.

Subsection 2425 (e) (12): The word “printed” and the word “title” have been removed from this section. The word “printed” and the word “title” are not necessary for the processor to complete on this report.

SUBCHAPTER 6. RECYCLING CENTERS

Article 3. Accounting and Reporting Requirements

§ 2525 RECORDKEEPING

Subsection 2525 (i): The phrase “or the weight by basis for the refund value payment (e.g., segregated and counted, segregated and weighed, commingled, or, if no refund value is paid, indicated scrap only)” has been added to this subsection. The current requirement requires that the recycler must provide the total weight and corresponding refund value on their daily summary. This change gives the recycler the option of continuing to use the total weight or the total refund value. In the DORIIS system, the recycler will use a web-based interface to prepare their required shipping reports. The DORIIS system will allow the recycler to enter the segregated, commingled, and purchases by count as recorded on their receipts and logs and Daily Purchase Summaries in the appropriate fields in the web-based shipping report interface. The redemption weight and refund values will be automatically calculated. If they choose not to use this method, the recycler may continue to enter the total refund value, as calculated from their daily summary and the redemption weight will automatically be calculated.

§ 2530 REPORTING

New Subsection 2530 (e) (4) (A): This subsection has been added to the text. This section will allow recyclers to enter the applicable weight purchased by basis taken from their Daily Purchase Summaries directly into the DORIIS shipping report interface. It will no longer be necessary for the recycler to perform the series of additional calculations currently necessary to obtain the redemption weight and refund value information for inclusion on the shipping reports. The system auto calculation of the total refund value using these values will result in a significant reduction in the number and frequency of errors currently made by recyclers. This revision will not change the current process for recyclers not using DORIIS because they will still be able to calculate and enter the total redemption weight based upon the calculated total refund value from their daily summaries.

Subsection 2530 (e) (4) (B): This subsection has been renumbered from subsection 2530 (e) (4) (A) due to the addition of new subsection 2530 (e) (4) (A).

Subsection 2530 (e) (4) (C): This subsection has been renumbered from subsection 2530 (e) (4) (B) due to the addition of new subsection 2530 (e) (4) (A).

Subsection 2530 (f) (1): The word “address” has been deleted from this subsection. The company address is populated by DORIIS based upon the master data associated with the certification number that is entered.

Subsection 2530 (f) (6): The word “printed” and the word “title” have been deleted from this subsection. The word “printed” and the word “title” are not necessary for the recycling center to complete this report.

Subsection 2530 (f) (7): The word “printed” and the word “title” have been deleted from this subsection. The word “printed” and the word “title” are not necessary for the recycling center to complete this report.

Subsection 2530 (f) (8): The phrase “weight ticket date and” has been added to this section to require the processor to list the weight ticket date on the shipping report prepared by the recycling center. This requirement will enable the processor to match the weight ticket date to the weight ticket number.

Section 2530: Section 14571.9 has been deleted from the reference section because it is not a section currently in the California Beverage Container Recycling and Litter Reduction Act (Act).